

MUR # 6444

RECEIVED  
FEDERAL ELECTION  
COMMISSION

December 1, 2010

2010 DEC 21 PM 12:00

**RE: Report of Representative Peter DeFazio (D-OR) for possible violations of Federal Election Laws and 501(c) (3) Election Regulations.**

OFFICE OF GENERAL  
COUNSEL

To the Federal Election Commission and to whom it may concern:

**SENSITIVE**

I, Lynnelle Kummelehne, have been witness to Rep. Peter DeFazio's possible violations of Federal Election Laws and prohibited political activity for a 501 (c)(3) and obvious disregard of Federal Election Regulations. Therefore, warranting further action and investigation.

**According to the Federal Election Law:** "If the candidate is a candidate for federal office you must also keep in mind restrictions under federal election law. A 501(c) (3) may NOT host a federal candidate's appearance that is campaign-related because doing so would provide a beneficial opportunity for the candidate to address the public, equal to an in-kind contribution, which is impermissible for a 501(c) (3). The only exception to this general rule for 501(c) (3) organizations is when the 501(c) (3) is hosting a candidate debate with at least two candidates and the debate is nonpartisan in nature. FEC regulations permit 501(c) (3)s that do not endorse, support or oppose candidates... Etc." <http://www.afj.org/assets/resources/nap/election-year-advocacy-candidate-forums.pdf>

In addition, "tax-exempt organizations described in section 501(c) (3) of the Internal Revenue Code... They are prohibited from participating or intervening in any political campaign on behalf of, or in opposition to, any candidate for public. These organizations cannot endorse any candidates, make donations to their campaigns, engage in fund raising, distribute statements, or become involved in any other activities that, directly or indirectly, may be beneficial or detrimental to any particular candidate. Activities that encourage people to vote for or against a particular candidate on the basis of nonpartisan criteria also violate the political campaign prohibition of section 501 (c) (3). Etc."

Involved in this report:

Congressman Peter DeFazio (D-OR)

2134 Rayburn Building

and/or

408 East 8th Avenue, #2030

Washington, D.C. 20515-3704

Eugene, OR 97401

The Coos Bay-North Bend Rotary International Club, District #5110

Rotary Club of Coos Bay

President, Jim Molitor

PO Box 1344 Coos Bay, OR 97420

(President Elect, Russ Clark; Secretary, Shirley Liberante; Membership, Roger Dixon; Foundation, Mike Gaudette)

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## **NATURE OF VIOLATION:**

On October 12, 2010, Rep. Peter DeFazio was the special speaker and appeared to be a willing participant at a partisan event/luncheon where he was sponsored, endorsed and/or promoted by The Coos Bay-North Bend, OR, Rotary International Club, with a 501 (c) (3) status. Both Rep. DeFazio and the Rotary Club may have violated political campaign prohibitions.

### **Other:**

1. With Voter's Ballots in the mail and just three weeks prior to the National Election, Coos Bay-NB Rotary Club sponsored Candidate, Rep. Peter DeFazio at their 501(c) (3) partisan luncheon-meeting.
2. CB-NB Rotary International Club endorsed candidate, Rep. Peter DeFazio.
3. CB-NB Rotary International made a political contribution to a candidate, Rep. Peter DeFazio. (TIME =CONTRIBUTION=MONEY)
4. CB-NB Rotary International Club allowed a non-candidate (members) to endorse candidate, Rep. Peter DeFazio during the Rotary Club's luncheon-meeting.
5. CB-NB Rotary International used facilities for candidate, Rep. Peter DeFazio's endorsement.
6. Candidate, Rep. Peter DeFazio in conjunction with a "non" political organization, the CB-NB Rotary Club who support candidates file reports of contributions and expenditures.
7. PACI-PC identifies campaign contributions by 501(c) (3) organizations, CB-NB Rotary International Club to Rep. Peter DeFazio.
8. In addition, "tax-exempt organizations described in section 501(c) (3) of the Internal Revenue Code... They are prohibited from participating or intervening in any political campaign on behalf of, or in opposition to, any candidate for public office. These organizations cannot endorse any candidates, make donations to their campaigns, engage in fund raising, distribute statements, or become involved in any other activities that, directly or indirectly, may be beneficial or detrimental to any particular candidate. Activities that encourage people to vote for or against a particular candidate on the basis of nonpartisan criteria also violate the political campaign prohibition of section 501 (c) (3)."

## DETAILS OF VIOLATION:

### Description of Activities:

On October 12, 2010, 12:00p.m. - 1:20 p.m., Rep. Peter DeFazio was sponsored by Coos Bay-North Bend Rotary Club to speak at their Luncheon-Meeting. This was clearly a partisan move endorsement of Rep. Peter DeFazio by the Rotary Club. "This being too close to the election and it would give the appearance that they are supporting his (DeFazio's) candidacy." Voters "Ballots were in the mail, plus, it was just three weeks prior to National Elections.

There were approximately fifty-eight people, including Rotarian's, DeFazio officials and guests in attendance. There were several partisan acclamations in support of Rep. DeFazio from the Rotary Board, members and guests during the partisan event.

It seems, the Coos Bay-North Bend Rotary International Club and Rep. Peter DeFazio violated Federal Election Laws and blatantly disregarded 501(c) (3) Election Regulations. It was also a conflict-of-interest for Rep. DeFazio to speak this close to an Election. However, as a sitting Congressman, he could have spoken, if he was to "share his expertise on another subject" rather than on his congressional position.

The whole meeting was all about Rep. DeFazio! He applauded himself for the great work he's done and is now doing and why it is so important for him to continue his progress next term. He clearly implied "VOTE FOR ME!" It appeared, many of the luncheon guests were very supportive of Rep. DeFazio.

It would seem, after more than twenty-three years as a Congressional Representative, Peter DeFazio *should* have known better! With his *understanding* of the Federal Election Laws and 501 (c) (3) Election Regulations, Rep. DeFazio could have *declined* his personal invitation from the Rotary Club this close to our National Elections, *unless*, he chose to speak *off-topic* of his position as a Congressional Representative. Or perhaps, he could have and should have *insisted* that the Rotary Club "host a candidate Debate with at least two of his candidates and Debate in a nonpartisan nature."

Especially since, Rep. DeFazio's congressional seat was so hotly challenged in a *various* race by his opponent, Dr. Art Robinson. Also, there is another candidate, Mike Beilstein, after his seat.

In addition, it is my understanding that The Coos Bay-North Bend Rotary International Club Board *had committed to share* their September 14, 2010 meeting with "The American Exceptionalism Tour" with renowned Astronaut Scott Carpenter campaigning for Art Robinson for Congress.

Several conversations occurred weekly between the Rotary President, Jim Molitor and David Jaques, Robinson's Campaign Manager. However, just days before the scheduled event, President Jim Molitor called and cancelled due to "the Board and Rotary's Bi-Laws state they cannot be involved in anything political." Thus ~~compensating~~ the situation with Rep. Peter DeFazio and making the CB-NB Rotary Clubs partisan intentions quite clear. (Contact: David Jaques @ 541-580-8085 david@rfa2010.com)

On October 17, 2010 I contacted the CB-NB Rotary International Club Board and Rep. Peter DeFazio by email about my great concerns regarding their reckless and irresponsible violations of Federal Election Laws and blatant disregard of 501(c) (3) Election Regulations. (Attached: My Letter)

In the morning of October 18, 2010, a hard copy of my letter was hand delivered to CB-NB Rotary Club President: Jim Molitor; Pres. Elect, Russ Clark; Secretary: Shirley Liberante; Foundation Chair: Mike Gaudette and Membership: Roger Dixon or it was received by their staff.

Also, prior to Rep. Peter DeFazio's Forum in Roseburg, OR, he was served my letter. Receipt was recorded and photographed.

In my (attached) letter, dated October 17, 2010, I offered a simple suggestion to make-things-right. Stating, "On Monday, October 18, 2010 from 7-9 pm at The Egyptian Theatre a Forum was already scheduled, with all three Congressional Candidates, Mike Beilstein, Peter DeFazio and Art Robinson. After the Forum, or better yet, you (CB-NB Rotary Club and Rep. DeFazio) could co-sponsor with The League of Women Voters and DO what Federal Election Laws requires, and DO what 501(c) (3) Election Regulations requires, and DO what every Voter wants... Have a "DEBATE that is nonpartisan in nature."

My simple request for a resolution regarding CB-NB Rotary Clubs and Rep. Peter DeFazio's possible violations of Federal Law infractions fell on hard hearts. Although, I did not personally hear from the CB-NB Rotary Club, they gave me their answer at DeFazio's Forum on the night of October 18th. Posted on both entry doors of the Egyptian Theatre and in the ticket booth on a large poster board, it read, "THE THEATRE WILL BE CLOSED DIRECTLY AFTER THE PUBLIC FORUM. THERE WILL BE NO OTHER DEBATE."

Rep. DeFazio's response: On the Forum stage, Peter-DeFazio went to Dr. Robinson and threw my letter on his table and walked away. Dr. Robinson got up and walked over to Rep. DeFazio and placed my letter under DeFazio's arm where he was holding other papers. (There are witnesses to this fact.)

It's quite obvious the CB-NB Rotary Club Board and Rep. Peter DeFazio play by their-own-rules. However, making-up one's own rules and over-riding Federal Laws and Federal Regulations is unacceptable and does not make it right!

NOTE: A Press Release notified KCBY NEWS of DeFazio's speaking engagement at the CB-NB Rotary Club.

KCBY NEWS Reporter/Anchor, Ms. Erica Rush, video-recorded Rep. DeFazio's campaign message almost entirely. She left the event a few minutes early. I left my table and in the hallway, I privately informed her that there could be a possible conflict-of-interest for Rep. DeFazio. Plus, airing this event could possibly put the CB-NB Rotary Club's 501(c) (3) in jeopardy. (Contact: Ms. Rush @ P.O. Box 1156, Coos Bay, OR 97420) Also, I voice-recorded the event.)

Ms. Rush wanted to do an interview with me. I was willing to do an interview later, so, she gave me her business card. I left a telephonic message a couple of hours later and again on October 13th. She did not return my calls. However, I did see Ms. Rush on October 16, 2010 and inquired why she had not returned my calls. She informed me that her boss wanted to verify the information with the CB-NB Rotary Club first.

On Tuesday, October 19, 2010, I telephoned KCBY NEWS Director/Reporter, Tim Novotny, regarding this matter. I inquired when he might have time to verify with the CB-NB Rotary Club regarding the probable, yet obvious, violations of Federal Election Laws and disregard of 501(c) (3) Election Regulations. He "was busy with local news and would get to it soon." When I asked, "How soon, in a few days or a few weeks?" He "did not find this story news worthy" and "Since, the Elections were three weeks away..." I informed him, "The elections were just TWO weeks away."

**SUBMISSION AND DOCUMENTATION:**

Attachment: 1.) October 17, 2010 "My Letter"

2.) Photo of Response to Letter, October 18, 2010 Egyptian Theatre

cc: The IRS, The Alliance for Justice and Rep. John Boehner were sent similar documentation. There has only been a reply from the IRS regarding receipt of documentation for the Rotary Club.

**SUBMITTER OF INFORMATION:**

Subscribed and sworn to on this day of December 1, 2010

*Lynnelle Kummelehne*

Lynnelle Kummelehne

Bandon, OR 97411

STATE OF OREGON,

County of Coos

BE IT REMEMBERED. That on this 1st day of Dec, 2010  
before me, the undersigned, a Notary Public in and for said County  
and State, personally appeared the within named

Lynnelle Kummelehne

known to me to be the identical individual described in and who  
executed the within instrument and acknowledged to me that same  
executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and  
affixed my official seal the day and year last above written

*Mary T. Evans*

Notary Public for Oregon.

My Commission expires NOV 23, 2013

